

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
THURSDAY, MARCH 29, 2018, 3:00 P.M.
ECUA BOARD ROOM
9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK
PENSACOLA, FLORIDA

Members present: Lois Benson, Chairman
Dale Perkins, Vice Chairman (*Arrived at 3:14 p.m.*)
Vicki Campbell
Elvin McCorvey
Larry Walker

Counsel present Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director

ITEM 1 – INVOCATION AND PLEDGE OF ALLEGIANCE

Prior to calling the regular meeting of the Board to order, Chairman Benson requested that Ms. Campbell provide the invocation and led the Pledge of Allegiance.

ITEM 2 – CALL TO ORDER

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:00 p.m.

ITEM 3 - ADOPTION OF AGENDA

Mr. Odom informed the Board that they have been provided with a replacement Item 9(a).

A motion was made by Dr. Walker seconded by Mr. McCorvey to adopt the agenda with replacement Item 9(a). Motion carried 4-0.

ITEM 4 – PUBLIC HEARINGS

There were no public hearings.

ITEM 5 – OPEN FORUM

Mr. Mark Buntjer, Zero Waste, addressed the Board stating that the Chinese are no longer buying recyclables. They are able to sell the paper domestically; however, they get paid a much smaller amount. Zero Waste requested that ECUA make adjustments for payment in that they wish to continue to engage with ECUA.

Mr. Odom advised the Board that we are currently in arbitration with Zero Waste and that the Board meeting is not a good forum for discussion of this issue.

ITEM 6 – PRESENTATIONS

Mr. Aaron Carper, Florida League of Cities, presented the ECUA Board with the Florida Municipal Insurance Trust (FMIT) Hometown Health Award for 2017. Mr. Carper informed the Board that ECUA is one of four recipients of this award. Ms. Benson added that this is a very prestigious award and congratulated staff for all of their efforts.

ITEM 7 – APPROVAL OF MINUTES

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to approve the minutes of the regular Board meeting of February 22, 2018, as presented. Motion carried 4-0.

ITEM 8 – REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve the following recommendations for Items D and F.

- D. That the Board agree to add a second Open Forum item to the Citizens' Advisory Committee and Board agendas to be positioned prior to the Adjournment item, to be used at the Chairman's discretion.**

Mr. Odom questioned Item D pointing out that inherently the Chair already has the power to provide another Open Forum. The item also stated that we are going to have a second Open Forum listed on each agenda and he is not sure that the Chair would have any discretion to remove it once the item is listed and approved. He therefore requested clarification from the Board. Ms. Benson added that if a Speaker's Registration Form (pink slip) is presented after the Open Forum, she would always recognize that individual. The question is, are we putting ourselves in a position that we must have an Open Forum at the end, and does this add anything.

Ms. Campbell reiterated the discussion at the Citizens' Advisory Committee meeting that sometimes an item is discussed at the meeting that triggers another thought from the audience. The second Open Forum would provide extra time at the end of the meeting for comments, provided another pink slip is filled out and presented.

Dr. Walker suggested that we amend the motion and recommendation by eliminating the second sentence, "This second Open Forum would be utilized at the discretion of the Chairman, depending upon the contents of the agenda."

Mr. Odom suggested that we address Item F out of order, then return to Item D.

Ms. Campbell made a motion to amend Item D, seconded by Dr. Walker. Ms. Campbell made an amended motion to approve the first sentence of Item D, "That the Board agree to add a second Open Forum item to the Citizens' Advisory and Board agendas to be positioned prior to the Adjournment item," and delete the second sentence. Motion was seconded by Mr. McCorvey. Mr. Perkins stated that he would support this action, but

expressed concern about issues being repeatedly addressed during a second Open Forum. Motion carried 5-0.

The Board voted on Item D as amended; motion carried 5-0.

- F. That the Board waive the bid requirement due to the ECUA preferred standardization of this equipment and approve the issuance of a single source purchase order for E.H. WACHS Standard LX (Gas) valve turner in the total amount of \$56,406.25, with funding from the appropriate budget line item.**

Ms. Campbell withdrew the motion to approve Items D and F, and made an amended motion that the Board approve Item F. Motion was seconded by Dr. Walker. Motion carried 5-0.

ITEM 9 – OPERATIONAL ITEMS

- (a) Biosolids Composting/Canopy (CS425) – Construction Completion
Central Water Reclamation Facility (CWRf) (Revised)**

Chairman Benson requested that Mr. Sorrell provide information regarding the revision for this item. He stated that Signature Structures, LLC, does not have a Florida license, so they must contract with another company for this work. The legal language was changed by Mr. Odom to allow some latitude for Signature Structures to contract with a firm to erect the canopy. He added that the biosolids composting facility is doing very well. We are producing about 500 tons per week, or 2,000 tons of compost every month, which we are selling. We have no place to store the compost except outside and it is a very weather-sensitive material. Once it gets wet, we have no place to screen it, then we have trouble moving and selling the material due to the water content. This canopy is very large, 30,000 square feet. Site preparation and assembly will take through the end of year to finalize.

Ms. Benson inquired as to the \$1.3 million and whether it includes the foundation. Ms. Sorrell advised that all of that is included in this price.

A motion was made by Ms. Campbell, seconded by Dr. Walker, that the Board: (a) Authorize the Executive Director to sign Change Order No. 10 with Utility Service Company, Inc., under the current contract for the additional site work and construction of the canopy foundation in the amount of \$1,122,698.70; (b) authorize the Executive Director to execute a contract for the reassembly of the canopy structure, once pricing has been negotiated and finalized, at a cost of approximately \$200,000, either (i) directly with Signature Structures, LLC or (ii) with a general contractor for whom Signature Structures will be the erection subcontractor; and (c) transfer the balance of funds in CIP CS425 to CIP CS425A, Composting Canopy. Motion carried 5-0.

- (b) Auditing Services**

A motion was made by Dr. Walker, seconded by Mr. McCorvey, that the Board approve the ranking of the firms to provide auditing services for the fiscal year ending September 30, 2018, and possible additional years, as follows:

1. Mauldin & Jenkins
2. Saltmarsh, Cleaveland & Gund
3. Thomas Howell Ferguson

And, award a contract to the top-ranked firm consistent with its response to the RFP. If an agreement cannot be reached with the top-ranked firm, then the contract shall be awarded to the next-ranked firm, and that process will be repeated until a two-sided contract is reached.

Mr. Sorrell provided background for the solicitation of proposals. He stated that Saltmarsh provided auditing services last year and the Board directed staff to solicit proposals to see if any other firms would be interested in doing the work. We sent out a formal Request for Proposals (RFP). We received the proposals, assembled a review committee and they made a recommendation to him. He reviewed each of the proposals and agreed with staff's recommendations to contract with Mauldin and Jenkins. They have done this type of work for 61 utilities and the City of Pensacola, and their price was about 20-25 percent less than the second-rated firm.

Mr. David Lister, Saltmarsh, Cleaveland and Gund, addressed the Board during discussion of Item 9(b), but comments are reflected in order of this agenda. He outlined several factors as to why Saltmarsh should have been awarded the bid for Auditing Services over staff's selection of Mauldin & Jenkins, the low bidder. He stated that the firm has helped us to achieve the Certificate of Achievement from the GFOA for the past 30 years, and their reputation has been spotless throughout the time they have been serving the ECUA. The price was not listed as an evaluation criteria, and the fee they provided was an all-inclusive price with no additional charges. He emphasized that the location of the office is essential for interaction with the ECUA, and should have been part of the consideration in choosing the vendor. Additionally, the local economy is impacted when the dollars are not maintained locally.

Mr. Odom advised that Mr. Lister is suggesting that the firm be given local vendor preference, and all of his comments regarding the local economy as a matter law must be ignored by this Board. These factors cannot be considered.

Ms. Campbell added that she is not in favor of a contract that could add fees. She inquired as to location of the Mauldin & Jenkins firm. Mr. Sorrell stated that they are headquartered in Bradenton, Florida. Ms. Sheldon added that if we take advantage of the complimentary CPE, we would have to pay the travel costs only.

Mr. Perkins commented that Saltmarsh has a stellar reputation, but that it would be the responsible thing to contract with a different firm, as long as we are not committed to the contract for more than one year.

Chairman Benson added that there has never been a complaint about Saltmarsh in this community and their reputation is beyond stellar. Her biggest concern is credibility in the marketplace so she will support the item. We value the relationship we have had with Saltmarsh, and hope that we will be back doing business with them in the future.

Dr. Walker agreed with the opinions stated and will support staff's recommendation.

Motion carried 5-0.

ITEM 10 – INFORMATIONAL REPORTS

None.

ITEM 11 – EXECUTIVE DIRECTOR'S REPORT

- (a) **Blue Angel Force Main Replacement – CO2 – Notification of Emergency Purchase**
Mr. Sorrell provided an update to Board relative to the work and funding necessary for repair of the failing 30-inch ductile iron force main that runs parallel to Blue Angel Parkway, south of Bayou Marcus Creek.

Ms. Campbell inquired as to whether this work would improve the pressure in that area. Mr. Sorrell stated overall probably not, but that it would depend on the location. Ms. Campbell added that the homes are directly across from the plant, and Mr. Sorrell stated that, in that case, it probably would decrease the pressure so the system would operate better.

- (b) **Gulf Breeze Initial Piping Interconnection – Notification of Emergency Purchase**
Mr. Sorrell updated the Board stating that the piping modifications would enable ECUA to receive a reciprocal emergency supply of water. Due to the new bridge construction and the potential for damage to our subaqueous line to Pensacola Beach, it is critical that we proceed with this project.

Mr. Sorrell added that ECUA competed in a Water Taste contest with nine agencies, and was awarded first place as the best-tasting water in the region. Any utility with water quality violations were not allowed to participate.

Mr. Sorrell stated that the federal government passed the Omnibus Spending Bill for money for the Clean Water Act. He is not sure of the amount or when it will be available, but ECUA will be seeking as much of this money as we can to help fund CIP projects and the I & I program.

Mr. Sorrell updated the Board on the North Palafox Tank project, stating that the major construction is finished and we are in the process of sealing the tank, then utilizing 6.0 million gallons of potable water to conduct testing for leaks. Painting of the tank will begin after the testing is complete.

Mr. Sorrell stated that the timber harvesting at the CWRP has started and we have cleared approximately 100 acres of the existing 300 acres, and the harvest is producing revenues.

Mr. Sorrell indicated that we have received a number of requests to use our recycling facility, but none of these have been brought to fruition yet. The MRF is approaching capacity right now with the single shift we have implemented.

Mr. Perkins asked that the Board consider reserving capacity for the City of Pensacola to participate in our recycling program for possible future needs. Ms. Campbell concurs with this request.

ITEM 12 – ATTORNEY’S REPORT

Mr. Odom informed the Board that as of March 1 Innerarity Island water system became part of the ECUA service area and the transition went smoothly.

Mr. Odom stated that ECUA has reviewed the scope of the Interlocal Agreement for the sewer system and provided comments to the County. We hope to receive the final agreement soon in order to present it to the Board.

Mr. Odom added that we are involved with non-payment and breach issues with Zero Waste concerning their January payment. He will keep the Board members advised of the progress.

Mr. McCorvey asked for clarification about local preference to a vendor that has been on the job. What about our giving local preference to the City for recycling. Mr. Odom stated that reserving capacity for another entity would be different than a local vendor preference, in that there is no preference that would give a financial competitive advantage to someone. This is not what the Florida Supreme Court has dictated. We are a Florida governmental entity and we have a higher duty to Florida entities than non-Florida entities. We have tried to have communications with the City regarding the MRF, and we will continue to do so.

ITEM 13 – UNFINISHED BUSINESS

None.

ITEM 14 – NEW BUSINESS

None.

ITEM 15 – BOARD COMMUNICATIONS

Mr. Perkins stated that he is glad to see that testing will be done with the North Hill emergency tank and feels that it may be beneficial to have it done every five years.

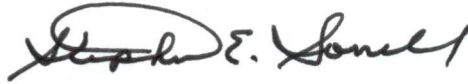
ITEM 16 – OPEN FORUM

None

ITEM 17 - ADJOURNMENT

There being no further business coming before the Board, Chairman Benson adjourned the meeting at approximately 3:58 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen E. Sorrell", written in a cursive style.

Stephen E. Sorrell
Executive Director and Secretary

APPROVED BY THE ECUA BOARD

in regular session on April 26, 2018

- (X) Without corrections/amendments
() With corrections/amendments being: